

Attendance of the October 19, 2005 GMTF Meeting
(based on sign-in sheet)

Name	Agency
Adams, Hon. Steve	City of Riverside
Amiri, Shahrzad	Metro
Bacharach, Jacki	South Bay Cities COG
Baker, Wally	LAEDC
Bone, Hon. Lou	City of Tustin
Bower, Nancy	California Highway Patrol
Brown, Hon. Art	City of Buena Park
Cartwright, Kerry	Port of Long Beach
Dale, Hon. Lawrence	City of Barstow
Daniels, Hon. Gene	City of Paramount
Farrington, Carl	South Coast Interfaith Council
Flickinger, Hon. Bonnie	City of Moreno Valley
Goodwin, Art	ACTA
Graham, Ryan	SANBAG
Green, Gary	Caltrans District 8
Greenwald, Peter	SCAQMD
Gurule, Hon. Frank	City of Cudahy
Guss, Ron	California Trucking Association
Gutierrez, Jose	City of Los Angeles
Harrington, Steve	Distribution Management Association
Heit, Karen	Gateway Cities COG
Henderson, Miles	Elden Company
Herrera, Hon. Carol	City of Diamond Bar
Jackson, Jorge	California Business, Transportation, and Housing Agency
Lai, Sue	Port of Los Angeles
Leachman, Rob	Leachman and Associates
Lieu, Sue	SCAQMD
Logan, Angelo	East Yard Communities for Environmental Justice
Lowenthal, Hon. Bonnie	City of Long Beach
Marquez, Jesse	Coalition for a Safe Environment
Neely, Sharon	ACE Construction Authority
Nord, Gregory	OCTA
Park, Noel	San Pedro Homeowners Coalition
Roberts, Hon. Frank	City of Lancaster
Rodriguez, Mark	Elden Company
Saunders, Christine	Port of Los Angeles
Smith, Steve	SANBAG



Szerlip, Hon. Don
Venieris, Marianne
Wanda, Kathleen
Warren, Elizabeth
Wilson, Joan

City of Redondo Beach
CSULB/Metrans
Caltrans District 7
LA Chamber of Commerce
California Business, Transportation, and
Housing Agency

SCAG Staff

Alcock, Joe
Faranesh, Zahi
Ikhrata, Hasan
Macias, Rich
Pfeffer, Nancy
Wong, Philbert

**GOODS MOVEMENT TASK FORCE MEETING MINUTES
WEDNESDAY, OCTOBER 19, 2005**

1.0 CALL TO ORDER

Councilmember Art Brown, City of Buena Park, called the meeting to order. A list of those in attendance is included in the minutes. Self introductions were made.

2.0 PUBLIC COMMENT PERIOD

There were no public comments.

3.0 CONSENT CALENDAR

3.1 Approval Items

3.1.1 Approval of the September 21, 2005 Minutes

Motion to approve the September 21, 2005 Goods Movement Task Force minutes was seconded and accepted with no objections.

4.0 ACTION ITEMS

4.1 Presentation on the Port and Modal Elasticity Study

Ms. Nancy Pfeffer, SCAG, clarified that the Task Force is being asked to accept the conclusions of the study, which are:

1. San Pedro Bay import volume is much more elastic with respect to congestion than with respect to container fees. Import volume is nevertheless elastic with respect to container fees.
2. Without congestion relief, in the long run even a small container fee would drive some traffic away from the San Pedro Ports.
3. A \$60 per FEU fee on inbound loaded containers at the SPB Ports would cut both total import volume and total trans-loaded import volume at the SPB Ports by approximately 6%.

4. With congestion relief, San Pedro Bay imports are relatively inelastic up to an import fee value of about \$200 per FEU. At this fee level, total imports via the SPB Ports are estimated to decline by 4% or less, while total trans-loaded volume would rise by an estimated 12.5%. The latter suggests a significant increase in economic activity in Southern California.

5. Fees greater than \$200 per FEU will significantly diminish imports via the SPB Ports, even if predicated upon congestion relief.

Mr. Rob Leachman, Leachman and Associates, presented the study. The presentation can be found on the SCAG website at: http://scag.ca.gov/goodsmove/pdf/gmtf111605_ElasticityPresentation.pdf.

Ms. Julie Masters, NRDC, asked if the Task Force is being asked to approve the statement 'A fee of about \$190 per FEU that retires the bonds on a wise and ambitious program of congestion relief seems a safe and effective investment' in the Conclusions section on page 21 of the report. Mr. Hasan Ikhata, SCAG, indicated that the Task Force is not being asked to approve a fee on containers nor any potential use of such a fee.

Mr. Steve Smith, SANBAG, asked if the transportation projects and/or operational improvements could be adjusted as long as they still resulted in a reduction in transit time from 3 to 2 days. Dr. Leachman concurred with this statement.

Mr. Peter Greenwald, SCAQMD, asked how the 6.3% drop in imports resulting from the imposition of a fee with no congestion relief relates to the Ports' forecast of container volume growth. Dr. Leachman responded that this drop is based on 2004 volumes, and for future years should be thought of as a 6.3% drop in market share, not necessarily in container volume.

Mr. Noel Park, San Pedro Homeowners Coalition, asked if a qualifier could be added to the recommended action stating that no infrastructure be built until this region is in attainment of air quality standards. Mr. Ikhata stated that the purpose of the study was to look at the elasticity of port volume relative to user fees, and not to look at mitigation. Mr. Mark Pisano, SCAG, stated that in the Southern California Regional Strategy for Goods Movement (<http://scag.ca.gov/goodsmove/pdf/GoodsmovePaper0305.pdf>), Principle #1 is that environmental and community impact mitigation must be integral to goods movement program.

Ms. Sharon Neely, ACE Construction Authority, pointed out that the study recommends infrastructure investment based on analysis of current volume indicating a 6% drop, though there has been no analysis of what the drop in future years might be.

Hon. Bonnie Lowenthal, City of Long Beach, stated mitigation in and of itself is not a goal. Instead, that there needs to be an adopted threshold for pollution which would need to be met.

Mr. Kerry Cartwright, Port of Long Beach, commented that there needs to be additional outreach and input is needed from importers. Mr. Cartwright made a motion to receive and file the study with the recommendation to conduct further research and outreach to the goods movement industry, specifically importers.

Ms. Sue Lai, Port of Los Angeles, commented that the Port is not ready to accept the findings of the study. The Port also believes that additional research needs to be conducted with importers. In addition, any reductions in volume predicted by the elasticity model would have a detrimental effect on the operation of the Alameda Corridor and Alameda Corridor East, and these impacts need to be further researched.

ACTION: The action of the Task Force is to accept the motion proposed by Mr. Cartwright to receive and file the report with the recommendation to conduct further research and outreach to the goods movement industry, particularly importers, before accepting the findings of the study.

The motion passed by a 14 to 11 vote.

5.0 INFORMATION ITEMS

5.1 Evaluating the Security of the Global Containerized Supply Chain

Mr. David Ortiz, Ph.D., Rand Corporation, presented this item. The purpose of this study was to evaluate the security of the global containerized supply chain, given recently adopted security measures and their unknown effects. Currently, the overall supply chain is facing a number of issues, such as: capacity is not keeping pace with import and trade growth; labor and security concerns compound capacity constraints; increased transport costs may impede economic growth; and post-9/11 security measures provide a layered though reactive response.

The supply chain can be viewed as three layers: the transaction, logistics, and oversight layers. The transaction layer includes those entities that perform contracts and transactions, such as retailers, shippers, and suppliers. These groups then instruct those in the logistics layer to physically transport their goods, which includes truckers, railroads, and ocean carriers. Above the transaction layer is the oversight layer, which implements and enforces rules of behavior within and across the layers. Agencies in the oversight layer include the U.S. Customs, Coast Guard, and the Federal Trade Commission.

There are five measures which could be used to measure the effectiveness of supply chain security policies. These include efficiency, shipment reliability, shipment transparency, fault tolerance (i.e. how well would the system operate if there is a disruption), and resilience (i.e. how quickly can the system recover from a disruption). Unfortunately, current programs do not address resilience or fault tolerance; instead, they focus on threat or consequence reduction.

A national supply chain policy is needed to address the issue of supply chain security. The national policy should do five things: quantify economic effects of constraints, disruptions, and policies on the performance of the supply chain; evaluate policy proposals based on system-wide effects across a range of performance metrics; employ risk-based threat and vulnerability assessments to most effectively bolster supply chain infrastructure; provide federal leadership in technology development and deployment; and look for public-private partnerships to satisfy the diverse base of stakeholders.

6.0 STAFF REPORT

Ms. Pfeffer informed the Task Force of the goods movement calendar of events that staff has produced and distributed.

7.0 COMMENT PERIOD

Ms. Elizabeth Warren, LA Chamber of Commerce, announced the Mobility 21 Conference that will be held on Monday, November 14, 2005 at the Long Beach Convention Center. Elected officials are invited to participate at no charge, and there is a registration fee of \$125 for all others.

8.0 NEXT MEETING

The next regular GMTF meeting will be:
Wednesday, November 16, 2005
9:00am-11:00am
SCAG Offices, San Bernardino Conference Rooms A&B

9.0 ADJOURNMENT

The meeting was adjourned at 11:15 am





SOUTHERN CALIFORNIA
ASSOCIATION of GOVERNMENTS